

ANNEX B.12**Transfers and Exchange Formalities**

With regards to China:

1. The obligations in Article 12(1) shall apply provided that the transfer complies with the relevant formalities stipulated by the present laws and regulations of China relating to exchange control. These formalities:
 - (a) shall not be used as a means of avoiding China's commitments or obligations under this Agreement; and
 - (b) shall not be made more restrictive than the formalities required at the time when original investment was made.
2. With respect to these formalities, China shall accord to investors of Canada or covered investments of Canadian investors treatment no less favourable than the treatment that China accords to third country investors or investments of such investors. To the extent that these formalities are no longer required according to the relevant laws of China, Article 12(1) shall apply without restrictions.
3. A transfer shall be deemed to have been made 'without delay' within the meaning of Article 12(1) if effected within such period as is normally required for the completion of transfer formalities. The said period shall commence on the day on which the relevant request has been submitted to the relevant foreign exchange administration with full and authentic documentation and information and may not exceed two months.